

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
Priority Mail Contract 19 (MC2010-1)
Negotiated Service Agreement

Docket No. CP2010-1

ORDER APPROVING AMENDMENT TO PRIORITY MAIL CONTRACT 19
NEGOTIATED SERVICE AGREEMENT

(Issued November 7, 2012)

I. INTRODUCTION

The Postal Service proposes an amendment to Priority Mail Contract 19.¹ For the reasons discussed below, the Commission approves the proposed Amendment.

¹ Notice of United States Postal Service of Amendment to Priority Mail Contract 19, With Portions Filed Under Seal, October 23, 2012 (Notice). The Amendment is attached to the Notice (Amendment).

In Order No. 323, the Commission approved Priority Mail Contract 19.² On October 23, 2012, the Postal Service filed notice that it has agreed to an amendment to the existing Priority Mail Contract 19. The Amendment requires the customer to manifest pieces for eligible customized pricing under the contract using a separate permit number and to use Electronic Verification Systems and Endicia for shipment of such pieces. *Id.* Attachment A at 1.

The Postal Service intends for the Amendment to become effective on the day after the date that the Commission completes its review of the instant filing. The Postal Service asserts that the “supporting financial documentation and financial certification initially provided in this docket remain applicable.” *Id.* at 1.

II. COMMENTS

Comments were filed by the Public Representative.³ No other interested person submitted comments. The Public Representative recommends that the Commission approve the amendment to the contract. He asserts that the Amendment is uncontroversial and notes that the Postal Service affirms that the Amendment will not affect the contract’s cost coverage. Accordingly, he concludes that the Amendment would permit the continuation of a financially remunerative agreement for both the Postal Service and the customer. *Id.* at 2.

III. COMMISSION ANALYSIS

The Commission has reviewed the Notice, the accompanying materials filed under seal, and the comments filed by the Public Representative.

² See Order No. 323, Docket Nos. MC2010-1 and CP2010-1, Order Concerning Priority Mail Contract 19 Negotiated Service Agreement, October 26, 2009.

³ Public Representative Comments on Postal Service Notice of Amendment to Priority Mail Contract 19, November 5, 2012 (PR Comments). On November 6, 2012, the Public Representative filed Motion of the Public Representative for Late Acceptance of Comments, November 6, 2012. That motion is granted.

Cost considerations. The Commission reviews competitive product prices to ensure that they meet applicable requirements of 39 U.S.C. 3633(a) and 39 CFR 3015.7. The Commission finds that the contract as amended comports with the provisions applicable to rates for competitive products in 39 U.S.C. 3633(a) and 39 CFR 3015.7. Accordingly, the Commission approves the Amendment.

Other considerations. The Postal Service states that the Amendment shall become effective on the day after the date that the Commission completes its review.

Within 30 days of the expiration of the instant contract, the Postal Service shall file the annual (by contract year) costs, volumes, and revenues disaggregated by weight and zone associated with the contract.

In conclusion, the Commission approves the proposed Amendment to Priority Mail Contract 19.

IV. ORDERING PARAGRAPHS

It is ordered:

1. As set forth in the body of this Order, the Commission approves the proposed Amendment to Priority Mail Contract 19.
2. Within 30 days after the Priority Mail Contract 19, as amended, terminates, the Postal Service shall file the annual (contract year) costs, volumes, and revenues disaggregated by weight and zone associated with the contract.

By the Commission.

Shoshana M. Grove
Secretary